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BEFORE THE ARIZONA CORPORATION

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Arizona Corporation Commission

DOCKETED

APR -4 2013

WATER COMMISSION  
DOCKET CONTROL

DOCKETED BY

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COMMISSIONERS

BOB STUMP-Chairman  
GARY PIERCE  
BRENDA BURNS  
BOB BURNS  
SUSAN BITTER SMITH

IN THE MATTER OF THE APPLICATION  
OF JOHNSON UTILITIES, L.L.C., FOR AN  
EXTENSION OF ITS CERTIFICATE OF  
CONVENIENCE AND NECESSITY.

**DOCKET NO. WS-02987A-06-0663**  
**REQUEST TO EXTEND COMPLIANCE**  
**DEADLINE**

On April 16, 2007, the Arizona Corporation Commission ("Commission") issued Decision 69414 approving the application of Johnson Utilities LLC ("Johnson Utilities" or the "Company") for an extension of its certificate of convenience and necessity to include a development known as Skyview Farms. In Decision 69414, the Commission ordered that Johnson Utilities docket, within two years of the date of the decision, the following compliance items:

- Approval to Construct ("ATC") for the water facilities needed to serve the extension area.
- General Permit for the wastewater facilities needed to serve the extension area.
- An Aquifer Protection Permit ("APP") amendment indicating approval of the expansion of Johnson Utilities' Section 11 Wastewater Treatment Plant ("Section 11 WTP") to 4.0 million gallons per day.
- An amendment to Johnson Utilities' Designation of Assured Water Supply ("DAWS") to include the extension area.

Under a cover letter dated March 13, 2009 (and docketed March 16, 2009), Johnson Utilities filed a copy of an amendment to its DAWS issued by the Arizona Department of Water Resources in compliance with Decision 69414. With regard to the remaining three compliance items in Decision 69414, the Commission granted an extension of the compliance deadline in

1 Decisions 71242 and 72531 following requests by Johnson Utilities. The current compliance  
2 deadline is April 16, 2013.

3 As in the two prior requests for extension of the compliance deadline filed by Johnson  
4 Utilities, the Company reports that the developer of Skyview Farms has further delayed the start  
5 of the project due to the slowdown in the residential real estate market, which has delayed the  
6 need for obtaining the ATC, the General Permit, and the amendment to the APP for the Section  
7 11 WTP. However, the managing member of Skyview Farms has reaffirmed in a letter dated  
8 March 27, 2013, that the developer still desires water, wastewater and reclaimed water services  
9 from Johnson Utilities when more favorable market conditions return. A copy of the Skyview  
10 Farms letter is attached hereto as Attachment 1.

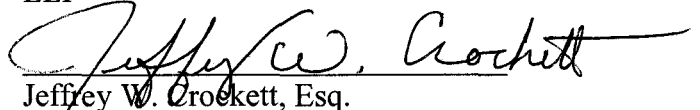
11 The severe economic downturn that battered the Arizona real estate market has persisted  
12 and delayed the start of many planned residential developments, including Skyview Farms.  
13 However, residential market conditions appear to have stabilized in the Phoenix metropolitan  
14 area and the market outlook has been improving. Johnson Utilities' own experience evidences a  
15 market improvement as the Company is regularly establishing new service connections in its  
16 service area.

17 Because the Skyview Farms development has been delayed, Johnson Utilities requests an  
18 additional three-year extension of the current compliance deadline in this docket, through and  
19 including April 16, 2016.<sup>1</sup> The Company reasonably believes there will be a need for water,  
20 wastewater and reclaimed wastewater services for the Skyview Farms development in the next  
21 three years, and it would not be a prudent use of the Commission's resources, the Company's  
22 resources, or the developer's resources to start over with a new application for a CC&N  
23 extension. The Company's request for an extension of the deadline for the remaining  
24 compliance items is reasonable in light of the circumstances in this case, and the Company  
25 respectfully requests that the Commission grant its request.

26  
27  
28 <sup>1</sup> The three remaining compliance items are the first three bulleted items on page one of this pleading.

1                   RESPECTFULLY submitted this 4<sup>th</sup> day of April, 2013.

2                   BROWNSTEIN HYATT FARBER SCHRECK,  
3                   LLP

4                   

5                   Jeffrey W. Crockett, Esq.

6                   One East Washington Street, Suite 2400

7                   Phoenix, Arizona 85004

8                   Attorneys for Johnson Utilities, L.L.C.

9                   ORIGINAL and thirteen (13) copies of the  
10                  foregoing filed this 4<sup>th</sup> day of April, 2013, with:

11                  Docket Control  
12                  ARIZONA CORPORATION COMMISSION  
13                  1200 West Washington Street  
14                  Phoenix, Arizona 85007

15                  Copy of the foregoing hand-delivered  
16                  this 4<sup>th</sup> day of April, 2013, to:

17                  Lyn Farmer, Chief Administrative Law Judge  
18                  Hearing Division  
19                  ARIZONA CORPORATION COMMISSION  
20                  1200 West Washington Street  
21                  Phoenix, Arizona 85007

22                  Janice Alward, Chief Counsel  
23                  Legal Division  
24                  ARIZONA CORPORATION COMMISSION  
25                  1200 West Washington Street  
26                  Phoenix, Arizona 85007

27                  Steve Olea, Director  
28                  Utilities Division  
29                  ARIZONA CORPORATION COMMISSION  
30                  1200 West Washington Street  
31                  Phoenix, Arizona 85007

32                  COPY of the foregoing sent via first class  
33                  mail this 4<sup>th</sup> day of April, 2013, to:

34                  Mr. Nathan Andersen  
35                  3850 East Baseline Road, Suite 114  
36                  Mesa, Arizona 85206

37                    
38                  014676\0006\10149768.1

# **Attachment 1**



# LeSueur Investments

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March 27, 2013

Mr. Daniel Hodges  
Johnson Utilities  
5230 E. Shea Boulevard  
Scottsdale, AZ 85254

RE: Skyview Farms - Utility Service Request

Dear Mr. Hodges,

I am writing in regards to the Skyview Farms project, an approximately 1,863 acre master planned community, located north and south of Arizona Farms Road in Florence, Arizona. With the significant slowdown in the residential real estate market, the development activities on Skyview Farms have been delayed. However, the ownership of Skyview Farms is still very much interested in obtaining Water, Wastewater, and Reclaimed Water services from Johnson Utilities (without any delays) when more favorable market conditions return. Please feel free to contact me if you have any additional questions or concerns at (480) 424-3400. We look forward to working with Johnson Utilities in the future.

Sincerely,

Ty LeSueur  
Managing Member of Skyview Farms